

STATE OF INDIANA       )  
                                  ) SS:  
COUNTY OF ELKHART    )

IN THE ELKHART SUPERIOR COURT 3

CAUSE NO. 20003 **'06 07 PL 79**

STATE OF INDIANA,                                )  
  )  
                          Plaintiff,                )  
  )  
                          v.                                )  
  )  
ROCHALI D. NEWBILL and TIM                    )  
DOWNS, individually and doing business       )  
as CREDIT REPAIR EXPERTS,                    )  
  )  
                          Defendants.                )

**FILED**  
JUN 17 2006  
CLERK ELKHART SUPERIOR COURT NO. 3

**COMPLAINT FOR INJUNCTION, RESTITUTION, COSTS,  
AND CIVIL PENALTIES**

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Matt Light, petitions the Court pursuant to the Indiana Credit Services Organizations Act, Indiana Code § 24-5-15-1 *et seq.*, and the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, for injunctive relief, restitution, civil penalties, investigative costs, and other relief.

**PARTIES**

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c) and Ind. Code § 24-5-15-11.

2. The Defendant, Rochali "Rick" D. Newbill, individually and doing business as Credit Repair Experts, at all times relevant to this complaint was an individual engaged in business as a credit services organization at 739 Oakdale Drive, Elkhart, Indiana 46517.

3. The Defendant, Tim Downs, individually and doing business as Credit Repair Experts, at all times relevant to this complaint was an individual engaged in business as a credit services organization at 2605 Buffalo Street, Michigan City, Indiana 46360; 2102 Ohio Street, Michigan City, Indiana 46360; 606 West 81<sup>st</sup> Avenue, Merrillville, Indiana 46410; or 3209 Dody Avenue, Apartment 2, Michigan City, Indiana 46360.

#### FACTS

4. At least since July 19, 2004, the Defendants have solicited and entered into contracts with Indiana consumers to assist consumers in correcting their credit reports and protecting and improving their credit ratings.

5. On or about July 19, 2004, the Defendants entered into a contract with Vonice Laura and Dianne Laura (hereinafter "the Lauras") of Bristol, Indiana, wherein the Defendants represented that they would assist the Lauras in repairing their credit reports and in improving their credit ratings. A true and correct copy of Defendants' contract with the Lauras is attached and incorporated by reference as Exhibit "A".

6. The contract referred to in paragraph five (5) provided that Defendants would "send information to credit reporting agencies on [the Lauras] behalf asking them to verify information on [the Lauras] personal credit report." The contract also stated: "This can take anywhere from 30 days to 120 days. We will work for you for a period of 6 months to have items verified. We guarantee to have at least one item removed or you will be refunded your deposit."

7. The contract referred to in paragraph five (5) provided that the Lauras would pay Four Hundred Thirty-Six Dollars (\$436.00) per person to the Defendants for services performed under the contract.

8. On or about July 19, 2004, the Lauras paid Three Hundred Fifty Dollars (\$350.00) to the Defendants pursuant to the contract referred to in paragraph five (5).

9. On or about August 11, 2004, the Lauras paid Two Hundred Twenty-Two Dollars (\$222.00) to the Defendants pursuant to the contract referred to in paragraph five (5).

10. On or about August 25, 2004, the Lauras paid Two Hundred Dollars (\$200.00) to the Defendants pursuant to the contract referred to in paragraph five (5).

11. The Defendants failed to provide the Lauras with a written statement containing the following provisions prior to executing the contract referred to in paragraph five (5):

(a) A statement explaining the buyer's right to proceed against the bond or surety account required under Indiana Code § 24-5-15-8;

(b) The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Indiana Code § 24-5-15-8;

(c) A complete and accurate statement of the availability of nonprofit credit counseling services.

12. The contract referred to in paragraph five (5) failed to include two (2) copies of a Notice of Cancellation form.

13. The Defendants failed to complete performance of the services described in the contract referred to in paragraph five (5).

14. The Defendants did not obtain a surety bond in the amount of Ten Thousand Dollars (\$10,000.00) as required by Indiana Code § 24-5-15-8 for a credit services organization to do business in the state of Indiana prior to July 1, 2006.

#### COUNT I: VIOLATIONS OF THE CREDIT SERVICES ORGANIZATIONS ACT

15. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs one (1) through fourteen (14) above.

16. By contracting to perform the services referred to in paragraph five (5), the Defendants are “credit services organizations” as defined by Indiana Code § 24-5-15-2.

17. By failing to obtain a surety bond in the amount of Ten Thousand Dollars (\$ 10,000.00) prior to doing business in Indiana as a credit service organization, the Defendant violated the Credit Services Organizations Act, Indiana Code § 24-5-15-8.

18. By receiving Seven Hundred Seventy-Two Dollars (\$772.00) from the Lauras before the complete performance of the services under the contract referred to in paragraph five (5), the Defendants violated the Credit Services Organizations Act, Indiana Code § 25-5-15-5(1).

19. By failing to provide the Lauras with a written statement containing each of the following provisions, as required by Indiana Code § 25-5-15-6, prior to executing a contract or receiving valuable consideration, the Defendants violated the Credit Services Organizations Act, Indiana Code § 25-5-15-6:

(a) a statement explaining the buyer’s right to proceed against the bond or surety account required under Indiana Code § 24-5-15-8;

(b) The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Indiana Code § 24-5-15-8;

(c) A complete and accurate statement of the availability of nonprofit credit counseling services.

20. By failing to include in the contract referred to in paragraph five (5) two (2) copies of a form captioned “NOTICE OF CANCELLATION” as required by Indiana Code § 24-5-15-7(b), the Defendants violated the Credit Services Organizations Act, Indiana Code § 24-5-15-7.

21. By guaranteeing to remove at least one (1) item from the Lauras’ credit reports without clearly disclosing that this could be done only if a person’s credit history is inaccurate or obsolete, the Defendants made a false or misleading representation in a sale of the services of a

credit services organization and violated the Credit Services Organizations Act, Indiana Code § 24-5-15-4(A).

COUNT II: VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

22. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs one (1) through twenty-one (21) above.

23. The transaction referred to in paragraph five (5) is a “consumer transaction” as defined by Indiana Code § 24-5-0.5-2(a)(1).

24. The Defendants are “suppliers” as defined by Indiana Code § 24-5-0.5-2(a)(3).

25. The violations of the Indiana Credit Services Organizations Act referred to in paragraphs seventeen (17), eighteen (18), nineteen (19), twenty (20), and twenty-one (21) constitute deceptive acts pursuant to Indiana Code § 24-5-15-11.

26. The Defendants’ representations to the Lauras that they would complete performance of services under the contract within six (6) months, when they knew or reasonably should have known that services would not be so completed, constitute violations of the Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-3(a)(10).

COUNT III: KNOWING AND INTENTIONAL VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

27. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs one (1) through twenty-six (26) above.

28. The misrepresentations and deceptive acts set forth above were committed by the Defendants with knowledge and intent to deceive.

RELIEF

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendants, enjoining the Defendants from the following:

a. In the course of performing services as a credit services organization after July 1, 2006, failing to obtain a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to doing business in Indiana as a credit services organization;

b. in the course of performing services as a credit services organization, charging or receiving money or other valuable consideration before the complete performance of services on behalf of a consumer, unless the Defendants have obtained a surety bond issued by a surety company admitted to do business in Indiana or established an irrevocable letter of credit under Indiana Code §24-5-15-8;

c. in the course of performing services as a credit services organization, failing to provide the consumer with a written statement containing each of the provisions required by Indiana Code § 25-5-15-6 prior to executing a contract or receiving valuable consideration;

d. in the course of performing services as a credit services organization, failing to include in contracts with consumers the statement required by Indiana Code § 24-5-15-7(a)(1) and two (2) copies of the notice of cancellation form required by Indiana Code § 24-5-15-7(b);

e. representing expressly or by implication that a consumer transaction has sponsorship, approval, performance, characteristics, accessories, uses, or benefits it does not have which the Defendants know or should reasonably know it does not have;


AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendants for the following relief:

- a. cancellation of the Defendants' unlawful contracts with consumers, including but not limited to Vonice Laura and Dianna Laura, pursuant to Ind. Code § 24-5-0.5-4(d);
- b. costs pursuant to Indiana Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;
- c. restitution on behalf of Vonice Laura and Dianna Laura in the amount of Seven Hundred Seventy-Two Dollars (\$772.00);
- d. on Count III of the Plaintiff's complaint, civil penalties pursuant to Indiana Code § 24-5-0.5-4(g) for the Defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;
- e. on Count III of the Plaintiff's complaint, civil penalties pursuant to Indiana Code § 24-5-0.5-8 for the Defendants' intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- f. all other just and proper relief.

Respectfully submitted,

STEVE CARTER  
INDIANA ATTORNEY GENERAL  
Attorney no. 4150-64

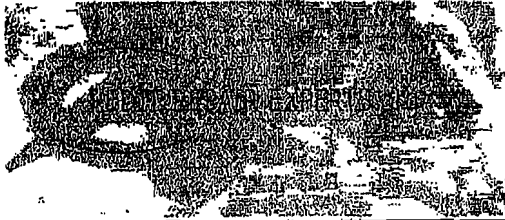
By:

  
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Don't let a dark past keep you from a bright future...

1.)

First Name Vonice Middle \_\_\_\_\_ Last Laura

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: IN Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Place of Employment: Retired

2.)

First Name Dianne Middle \_\_\_\_\_ Last Laura

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: IN Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Place of Employment: Self Employed - DIANNE'S DAY CARE

Signature of applicant's

X Vonice Laura Date: 7-19-04

X Dianne Laura Date: 7-19-04



By signing this document you have agreed that Rick Newbill can communicate with the Credit Bureaus on your behalf.

- Deposit Information: We will keep your deposit until services are rendered.
- You will be refunded your deposit if we do not complete services.
- Check or money order
- If you are making your deposit with a check or money order. Please make the deposit payable to: Rick Newbill for a total of \$436.00 per person.

How did you hear about us?

Cnige Twi Ford / Rick Newbill

Authorization/Disclosure/Disclaimer:

CONSUMER CREDIT FILE RIGHTS UNDER STATE AND FEDERAL LAW you have a right to dispute inaccurate information in your credit report by contacting the credit bureau directly. However, neither you nor any credit repair company or credit repair organization has the right to have accurate, current, and verifiable information removed from your credit report. The credit bureau must remove accurate, negative information from your report only if it is over 7 years old. Bankruptcy information can be reported for 10 years. You have a right to obtain a copy of your credit report from a credit bureau. You may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The credit bureau must provide someone to help you interpret the information in your credit file. You are entitled to receive a free copy of your credit report if you are unemployed and intend to apply for employment that there is inaccurate information in your credit report due to fraud. You have a right to sue a credit repair organization that violates the Credit Repair Organization Act. This law prohibits deceptive practices by credit repair organizations. You have the right to cancel your contract with any credit repair organization for any reason within 3 business days from the date you signed it. Credit bureaus are required to follow reasonable procedures to ensure that the information they report is accurate. However, mistakes may occur. You may, on your own, notify a credit bureau in writing that you dispute the accuracy of information in your credit file. The credit bureau may not charge any fee for this service. Any pertinent information and copies of all documents you have concerning an error should be given to the credit bureau. If the credit bureau's reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the credit bureau, to be kept in your file, explaining why you think the record is inaccurate. The credit bureau must include a summary of your statement about disputed information with any report it issues about you. The Federal Trade Commission regulates credit bureaus and credit repair organizations. For more information contact:

The Public Reference Branch, Federal  
Trade Commission, Washington, D.C. 20580

Privacy Act Disclosure. Credit Repair Experts is very concerned about the protection of online privacy for all our web site visitors. Credit Repair Experts is the sole owner of the information collected on this site. We will not sell, share, or rent this information to others in any way. The only information we share is the personal information necessary to complete our services by dealing with the credit bureaus and your creditors. Your information is fully protected both online and offline.

Limited Power of Attorney Disclosure. Be it known that I, the undersigned, am the individual and by submitting this form hereby grant a limited power of attorney to Credit Repair Experts, and any and all persons in there employ, as my agent, to have the necessary power and authority to undertake and perform the following on my behalf. I hereby give permission to credit Repair Experts to sign my name on all documents written on my behalf as my agent for the purpose of disputing inaccurate, erroneous, and obsolete credit information held on my report y consumer credit reporting agencies. This "limited power of attorney" is given to Credit Repair Experts in compliance with Section 611 of the Federal Fair Credit Reporting Act.

Please review the information you have entered for accuracy and completeness.

You the buyer, may cancel this contract at any time before midnight of the third business day after the date of the transaction; see below for an explanation of this right.

The service you will receive is as follows. We will send information to credit reporting agencies on your behalf asking them to verify information on your personal credit report. This can take anywhere from 30 days to 120 days. We will work for you for a period of 6 months to have items verified. We guarantee to have at least one item removed or you will be refunded your deposit.

**NOTICE OF CANCELLATION.** You may cancel this contract without any penalty or obligation, within three business days after the date the contract is signed. If you cancel, any payment made by you under this contract will be returned within ten days after the date of receipt by Credit Repair Experts of your cancellation notice. To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or other written notice to:

Credit Repair Experts  
2102 Ohio Street  
Michigan City, IN 46360

- 219-879-3650

I have read and understand this agreement:

X Vernice Ann Date: 7-19-04

X Heather Lane Date: 7-19-04



Has your credit report slowed you down?

*Don't Let A Dark Past Keep You From A Bright Future...*

This receipt shows deposit for services rendered by Credit Repair Experts. Upon completion of our services money will be transferred to our accounts payable.

Payment received: 772

Date: 7-19-09